

TOPIC	GAAP REPORTING	SUB-SECTION 23.60.10
SECTION	GAAP AGENCY FUNDS	ISSUANCE DATE June 25, 2009
SUB-SECTION	OVERVIEW	REVISED - 2018

OVERVIEW

GASB 34 states that agency funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. Agency funds are custodial in nature. Accordingly all assets reported in an agency fund are offset by a liability to the party on whose behalf they are held. Therefore, assets equal liabilities.

Agency funds are accounted for using the modified accrual basis of accounting. Due to or due from other funds are **not** recorded on an agency fund. In addition, agency funds do **not** have revenues and expenditures; they have additions and deletions to assets and liabilities.

Examples of agency funds include:

Funds that serve as a clearing mechanism for amounts distributed to the various counties and municipalities of the state.

Funds that account for receipt of various taxes, refundable deposits, inventories, and other monies collected or recovered to be held until the State has the right or obligation to distribute them to state operating funds or to various entities or individuals.

Funds that account for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.